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PROTECTING TROPICAL FORESTS IN DEVELOPING COUNTRIES

FEBRUARY 26, 1986.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. YATRON, from the Committee on Foreign Affairs, submitted the following

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REPORT

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[To accompany H.R. 2957]

The Committee on Foreign Affairs, to whom was referred the bill (H.R. 2957) to amend the Foreign Assistance Act of 1961 to protect tropical forests in developing countries, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

The amendment strikes out all after the enacting clause of the bill and inserts a new text which appears in italic type in the reported bill.

COMMITTEE ACTION

H.R. 2957 was introduced by Mr. Yatron of Pennsylvania on July 10, 1985, and was referred to the Committee on Foreign Affairs. The bill was subsequently referred to the Subcommittee on Human Rights and International Organizations.

On October 3, 1985, the Subcommittee on Human Rights and International Organizations met in open markup session to consider H.R. 2957. Hon. Gus Yatron, chairman of the subcommittee, offered a substitute amendment which was agreed to by voice vote. The subcommittee favorably reported the bill as amended by voice vote.

The Committee on Foreign Affairs met in open markup session on December 11, 1985, to consider H.R. 2957. Mr. Yatron offered a substitute for the subcommittee amendment. This substitute was approved. The committee, by voice vote, ordered the bill favorably reported, as amended.

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PURPOSE

H.R. 2957 as ordered reported (hereafter referred to as H.R. 2957) adds a new section 118 to the Foreign Assistance Act of 1961, as amended (the Foreign Assistance Act), which replaces existing section 118(d), to provide for expanded and diversified U.S. assistance for the conservation and sustainable management of tropical forests and to discourage actions known to cause unnecessary forest destruction.

BACKGROUND

Existing section 118(d) of the Foreign Assistance Act, as amended in 1981, declares that tropical forests constitute a major world resource and emphasizes the importance of forests and tree cover to developing countries. The section notes that the loss of tropical forests is accelerating, resulting in shortages of wood—especially wood for fuel; siltation of lakes, reservoirs, and irrigation systems; floods, destruction of indigenous peoples; extinction of plant and animal species; loss of genetic resources; reduced capacity for food production; desertification; and contributing to destabilization of the Earth's climate.

Existing section 118(d) directs the President to consider the recommendations of the U.S. Interagency Task Force on Tropical Forests in formulating and implementing development assistance programs, and calls on the President to instruct U.S. representatives to international organizations to give higher priority to tropical deforestation problems and to improve cooperation among these organizations in regard to tropical forests.

The committee has conducted extensive oversight hearings on section 118(d) and has reviewed the guidance issues in 1984 by the Agency for International Development (AID) which recognizes the unique role and special environmental characteristics of humid tropical forests and directs AID personnel to increase assistance regarding these resources. The guidance also directs AID not to support certain types of activities which degrade forest resources, unless strict criteria are met. The committee noted instances of resistance within AID to this guidance and a reluctance to pursue some of its specific objectives.

JUSTIFICATION

Every year areas of the world equal in size to the State of Pennsylvania are deforested. In testimony before the Subcommittee on Human Rights and International Organizations, representatives from the World Resources Institute, Natural Resources Defense Council, World Wildlife Fund, International Institute for Environment and Development, and other institutions testified that monumental efforts must be undertaken in many countries if tropical forest resources are to avoid total or near-total devastation. This destruction is occurring, paradoxically, just when the genetic matter represented by the myriad plant and animal species which will inevitably be lost, could profitably be used by science. Written material submitted by the National Audubon Society, Sierra Club, Ecological Society of America, and International Union for the

Conservation of Nature supported the testimony regarding the importance of tropical forests.

In response to Congress' directive in the 1981 amendment to section 118 of the Foreign Assistance Act, AID program activity in forestry increased, including a major program in fuelwood production and smaller programs in other areas, such as watershed reforestation and control. Testimony revealed that in many cases the number of these programs, particularly regarding fuelwood projects, is decreasing. This is primarily because in many instances AID missions are finding that recipient countries have neither the local scientific knowledge nor the background to proceed technically with a fuelwood program and that the national and, in particular, local and regional institutions to carry out these programs are weak or nonexistent.

In contrast to fuelwood, which is largely an issue in the dry tropics, AID has been less active in other major areas of tropical forestry. For example, except to give some general financial support to certain kinds of agroforestry research, it has done little to promote field programs for better use of proven agroforestry techniques and to adapt them to local circumstances.

AID should be encouraged to accelerate and expand its institution building and training efforts as well as other programs dealing with humid tropical forests.

Section-by-Section Analysis

H.R. 2957 redesignates current section 118 (a), (b), and (c) as new section 117 of the Foreign Assistance Act; current section 118(d) as new section 118 (a) and (b); and adds new sections 118 (c), (d), (e), and (f). New section 118(c), which contains 15 paragraphs, directs the President to take various steps to place a high priority on conservation and sustainable management of tropical forests and to engage in dialog with recipient countries to help those countries focus on policies which contribute to defroestation. The section calls for support for a variety of projects and activities to limit deforestation and to encourage conservation, to increase the awareness of other U.S. agencies and other donors in the value of tropical forests, and to utilize all relevant U.S. Government resources. The committee urges that the Agency for International Development, in implementing this mandate, recognize the unique role played by the International Union for the Conservation of Nature, its Commission on National Parks and Protected Areas, and the World Wildlife Fund, and place a high priority on establishing effective working relationships with these organizations and utilizing their resources and expertise. Section 118(c) further requires that any program or project which significantly affects tropical forests be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and take full account of the environmental impacts as provided for in AID's environmental procedures.

New section 118(c)(14) requires denial of assistance for procurement or use of logging equipment, except under certain circumstances, and for action which significantly degrade national parks or similar protected areas which contain tropical forests. This pro-

hibition is not intended to preclude temporary introduction of domesticated animals for use by park personnel (e.g., riding horses) or use of exotic plants for purposes compatible with the maintenance of natural values, such as stabilizing soils following landslides. The land intended to be covered by this provision are those listed in the current edition of the U.N. List of National Parks and Equivalent Reserves, published by the International Union for Conservation of Nature.

New section 118(c)(15) requires denial of assistance for activities which would result in the conversion of forest lands for livestock rearing; for the construction, upgrading, or maintenance of roads; colonization; or constructions of dams and other structures which flood relatively undergraded forest lands, unless an environmental assessment indicates that the proposed activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development. This subsection parallels the guidance issued in 1984 by the Administrator of the Agency for International Development. It is the committee's intent that before such activities are undertaken, the assessment should demonstrate that the proposed activity is the least destructive approach when compared to alternative development actions, and that such assistance should be provided only in exceptional circumstances.

New section 118(d) directs that whenever feasible, projects to carry out this section should be managed by private and voluntary organizations or other nongovernmental organizations active in the country where the project is located.

New section 118(e) requires that each country plan prepared by AID include an analysis of actions necessary to improve management of tropical forests and the extent to which actions proposed for AID support meet the needs thus identified. The committee intends that application of this requirement apply only to those countries with relevant tropical forest conditions.

New section 118(f) requires an annual report.

Required Reports Section

COST ESTIMATE

H.R. 2957 does not authorize any new appropriations. It provides for new priorities within existing authorizations and appropriations for the Agency for International Development.

INFLATIONARY IMPACT STATEMENT

In view of the fact that H.R. 2957 provides no new funding authorization, there is no inflationary impact.

STATEMENTS REQUIRED BY CLAUSE 2(l)(3) OF HOUSE RULE XI

(a) Oversight findings and recommendations

Among the principal oversight activities which contributed to the committee's formulation of H.R. 2957 are the folliwing:

Hearings conducted by the Subcommittee on Human Rights and International Organizations on international environmen-

tal policy, June 14 and September 12, 1984; and on biological diversity, June 6, 1985;

Ongoing consultation between committee members and staff and executive branch officials concerning implementation of existing policies and programs to safeguard tropical forests; and

Review of the programs and activities of international and private environmental organizations.

As a result of these oversight activities, the committee recommends that H.R 2957 be approved by the full House.

(b) Budget authority

The enactment of H.R. 2957 will create no new budget, spending, or credit authority.

(c) Committee on Government Operations summary

No oversight findings and recommendations which relate to this measure have been received from the Committee on Government Operations under clause 4(c)(2) of House rule X.

(d) Congressional Budget Office cost estimate

No cost estimate has been received from the Congressional Budget Office.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

FOREIGN ASSISTANCE ACT OF 1961

SEC. [118] *117.* ENVIRONMENT AND NATURAL RESOURCES.—(a) The Congress find that if current trends in the degradation of natural resources in developing countries continue, they will severely undermine the best efforts to meet basic human needs, to achieve sustained economic growth, and to prevent international tension and conflict. The Congress also finds that the world faces enormous, urgent, and complex problems, with respect to natural resources, which require new forms of cooperation between the United States and developing countries to prevent such problems from becoming unmanageable. It is, therefore, in the economic and security interests of the United States to provide leadership both in thoroughly reassessing policies relating to natural resources and the environment, and in cooperating extensively with developing countries in order to achieve environmentally sound development.

(b) In order to address the serious problems described in subsection (a), the President is authorized to furnish assistance under this part for developing and strengthening the capacity of developing countries to protect and manage their environment and natural resources. Special efforts shall be made to maintain and where possible to restore the land, vegetation, water, wildlife, and other re-

sources upon which depend economic growth and human wellbeing, especially of the poor.

(c)(1) The President, in implementing programs and projects under this chapter, shall take fully into account the impact of such programs and projects upon the environment and natural resources of developing countries. Subject to such procedures as the President considers appropriate, the President shall require all agencies and officials responsible for programs or projects under this chapter—

(A) to prepare and take fully into account an environmental impact statement for any program or project under this chapter significantly affecting the environment of the global commons outside the jurisdiction of any country, the environment of the United States, or other aspects of the environment which the President may specify; and

(B) to prepare and take fully into account an environmental assessment of any proposed program or project under this chapter significantly affecting the environment of any foreign country.

Such agencies and officials should, where appropriate, use local technical resources in preparing environmental impact statements and environmental assessments pursuant to this subsection.

(2) The President may establish exceptions from the requirements of this subsection for emergency conditions and for cases in which compliance with those requirements would be seriously detrimental to the foreign policy interests of the United States.

[(d)(1) In enacting section 103(b)(3) of this Act the Congress recognized the importance of forest and tree cover to the developing countries. The Congress is particularly concerned about the continuing and accelerating alteration, destruction, and loss of tropical forest in developing countries. Tropical forests constitute a major world resource. Their destruction and loss pose a seriouis threat to development and the environment to developing countries. Tropical forest destruction and loss result in shortages of wood, especially wood for fuel; siltation of lakes, reservoirs and irrigation systems; floods; destruction of indigenous peoples; extinction of plant and animal species; reduced capacity for food production; and loss of genetic resources; and can result in desertification and in destablization of the earth's climate. Properly managed tropical forests provide a sustained source of fiber and the other commodities essential to the economic growth of developing countries.

[(2) The concerns expressed in paragraph (1) and the recommendations of the United States Interagency Task Force on Tropical Forests shall be considered by the President—

[(A) in formulating and carrying out programs and policies with respect to developing countries, including those relating to bilateral and multilateral assistance and those relating to private sector activities, and

[(B) in seeking opportunities to coordinate public and private development and investment activities which affect forests in developing countries.

[(3) It is the sense of the Congress that the President should instruct the representatives of the United States to the United Na-

tions and to other appropriate international organizations to urge—

[(A) that higher priority be given in the programs of these organizations to the problems of tropical forest alteration and loss, and

[(B) that there be improved cooperation and coordination among these organizations with respect to tropical forest activities.]

SEC. 118. TROPICAL FORESTS.

(a) IMPORTANCE OF FORESTS AND TREE COVER.—In enacting section 103(b)(3) of this Act the Congress recognized the importance of forests and tree cover to the developing countries. The Congress is particularly concerned about the continuing and accelerating alteration, destruction, and loss of tropical forests in developing countries, which pose a serious threat to development and the environment. Tropical forest destruction and loss—

(1) result in shortages of wood, especially wood for fuel; loss of biologically productive wetlands; siltation of lakes, reservoirs, and irrigation systems; floods; destruction of indigenous peoples; extinction of plant and animal species; reduced capacity for food production; and loss of genetic resources; and

(2) can result in desertification and destabilization of the Earth's climate.

Properly managed tropical forests provide a sustained flow of resources essential to the economic growth of developing countries, as well as genetic resources of value to developed and developing countries alike.

(b) PRIORITIES.—The concerns expressed in subsection (a) and the recommendations of the United States Interagency Task Force on Tropical Forests shall be given high priority by the President—

(1) in formulating and carrying out programs and policies with respect to developing countries, including those relating to bilateral and multilateral assistance and those relating to private sector activities; and

(2) in seeking opportunities to coordinate public and private development and investment activities which affect forests in developing countries.

(c) ASSISTANCE TO DEVELOPING COUNTRIES.—In providing assistance to developing countries, the President shall do the following:

(1) Place a high priority on conservation and sustainable management of tropical forests.

(2) To the fullest extent feasible, engage in dialogues and exchanges of information with recipient countries—

(A) which stress the importance of conserving and sustainably managing resources for the long-term economic benefit of those countries, as well as the irreversible losses associated with forest destruction, and

(B) which identify and focus on policies of those countries which directly or indirectly contribute to deforestation.

(3) To the fullest extent feasible, support projects and activities—

(A) which offer employment and income alternatives to those who otherwise would cause destruction and loss of forests, and

(B) which help developing countries identify and implement alternatives to colonizing forested areas.

(4) To the fullest extent feasible, support training programs, educational efforts, and the establishment or strengthening of institutions which increase the capacity of developing countries to formulate forest policies, engage in relevant land-use planning, and otherwise improve the management of their forests.

(5) To the fullest extent feasible, help end destructive slash-and-burn agriculture by supporting stable and productive farming practices in areas already cleared or degraded and on lands which inevitably will be settled, with special emphasis on demonstrating the feasibility of agroforestry and other techniques which use technologies and methods suited to the local environment and traditional agricultural techniques and feature close consultation with and involvement of local people.

(6) To the fullest extent feasible, help conserve forests which have not yet been degraded, by helping to increase production on lands already cleared or degraded through support of reforestation, fuelwood, and other sustainable forestry projects and practices, making sure that local people are involved at all stages of project design and implementation.

(7) To the fullest extent feasible, support projects and other activities to conserve forested watersheds and rehabilitate those which have been deforested, making sure that local people are involved at all stages of project design and implementation.

(8) To the fullest extent feasible, support training, research, and other actions which lead to sustainable and more environmentally sound practices for timber harvesting, removal, and processing, including reforestation, soil conservation, and other activities to rehabilitate degraded forest lands.

(9) To the fullest extent feasible, support research to expand knowledge of tropical forests and identify alternatives which will prevent forest destruction, loss, or degradation, including research in agroforestry, sustainable management of natural forests, small-scale farms and gardens, small-scale animal husbandry, wider application of adopted traditional practices, and suitable crops and crop combinations.

(10) To the fullest extent feasible, conserve biological diversity in forest areas by—

(A) supporting and cooperating with United States Government agencies, other donors (both bilateral and multilateral), and other appropriate governmental, intergovernmental, and nongovernmental organizations in efforts to identify, establish, and maintain a representative network of protected tropical forest ecosystems on a worldwide basis;

(B) whenever appropriate, making the establishment of protected areas a condition of support for activities involving forest clearance or degradation; and

(C) helping developing countries identify tropical forest ecosystems and species in need of protection and establish and maintain appropriate protected areas.

(11) To the fullest extent feasible, engage in efforts to increase the awareness of United States Government agencies and other donors, both bilateral and multilateral, of the immediate and long-term value of tropical forests.

(12) To the fullest extent feasible, utilize the resources and abilities of all relevant United States Government agencies.

(13) Require that any program or project under this chapter significantly affecting tropical forests (including projects involving the planting of exotic plant species)—

(A) be based upon careful analysis of the alternatives available to achieve the best sustainable use of the land, and

(B) take full account of the environmental impacts of the proposed activities on biological diversity,

as provided for in the environmental procedures of the Agency for International Development.

(14) Deny assistance under this chapter for—

(A) the procurement or use of logging equipment, unless an environmental assessment indicates that all timber harvesting operations involved will be conducted in an environmentally sound manner which minimizes forest destruction and that the proposed activity will produce positive economic benefits and sustainable forest management systems; and

(B) actions which significantly degrade national parks or similar protected areas which contain tropical forests or introduce exotic plants or animals into such areas.

(15) Deny assistance under this chapter for the following activities unless an environmental assessment indicates that the proposed activity will contribute significantly and directly to improving the livelihood of the rural poor and will be conducted in an environmentally sound manner which supports sustainable development:

(A) Activities which would result in the conversion of forest lands to the rearing of livestock.

(B) The construction, upgrading, or maintenance of roads (including temporary haul roads for logging or other extractive industries) which pass through relatively undegraded forest lands.

(C) The colonization of forest lands.

(D) The construction of dams or other water control structures which flood relatively undegraded forest lands.

(d) PVOs AND OTHER NONGOVERNMENTAL ORGANIZATIONS.—Whenever feasible, the President shall accomplish the objectives of this section through projects managed by private and voluntary organizations or international, regional, or national nongovernmental organizations which are active in the region or country where the project is located.

(e) COUNTRY ANALYSIS REQUIREMENTS.—Each country development strategy statement or other country plan prepared by the Agency for International Development shall include an analysis of—

(1) the actions necessary in that country to achieve conservation and sustainable management of tropical forests, and

(2) the extent to which the actions proposed for support by the Agency meet the needs thus indentified.

(f) ANNUAL REPORT.—Each annual report required by section 634(a) of this Act shall include a report on the implementation of this section.

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